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FM AMEMBASSY OTTAWA
TO RUEHC/SECSTATE WASHDC IMMEDIATE 7913
INFO RUCNCAN/ALL CANADIAN POSTS COLLECTIVE PRIORITY
RUEHME/AMEMBASSY MEXICO PRIORITY 1819
RUEHFR/AMEMBASSY PARIS PRIORITY 1000
RUCPDO/DEPT OF COMMERCE WASHDC PRIORITY

UNCLAS SECTION 01 OF 02 OTTAWA 000703

SENSITIVE
SIPDIS

STATE FOR WHA/CAN, EEB/IFD/OIA, AND EEB/DCT
USDOC 4320/OFFICE OF NAFTA/GWORD/TFOX; 3134/OIO/WESTERN
HEMISPHERE
STATE PSS USTR FOR MELLE AND SULLIVAN
PARIS FOR USOECD

E.O. 12958: N/A

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SUBJECT: PCO INVESTIGATION ON "NAFTAGATE" FAILS TO SOLVE
MYSTERY

REF: OTTAWA 378

1. (SBU) Following a two month investigation, the Privy Council Office released a May 22 report on "NAFTAGATE" related to alleged leaks by either or both Chief of Staff the Prime Minister Ian Brodie and Ambassador to the U.S. Michael Wilson regarding alleged comments from Democratic U.S. Presidential campaign staffs on possible renegotiation of the North American Free Trade Agreement. The conclusions confirmed that both apparently did speak to reporters on this issue, but that neither had ever specifically claimed either Presidential campaign staff had suggested the candidates were only posturing for domestic political purposes. The investigation failed entirely to determine how an unclassified report from the Canadian Consulate General in Chicago about a meeting between its staff and an economic advisor affiliated with one of the campaigns reached the media. The report exonerated both Brodie and Wilson of leaking any classified information. (The initial Consulate report was actually unclassified, and sent to 232 addressees, mostly in the Department of Foreign Affairs and International Trade, which then place the report on its information repository, to which all its employees have access.) Investigators found no email links between recipients and any media source related to this report, however.

2. (SBU) The PCO report included recommendations that all government departments and ministerial offices "should be reminded on a regular basis of the sensitivity of such documents and the need to protect them" and that DFAIT should expand its new protocols on sensitive reporting beyond only U.S. election-related messages.

3. (SBU) The Prime Minister's Office on May 23 released the following statement on the report:

Begin text:

Upon receipt of the Report on the Investigation into Unauthorized Disclosure of Sensitive Diplomatic Information, the following conclusions are noted:

Any comments Mr. Brodie may have made during the lock-up did not reveal any information tied to the diplomatic report, of which he was made aware only on February 28. There is no evidence that Mr. Brodie disclosed any classified information.

Based on the findings of this investigation, there is no evidence that Ambassador Wilson revealed any information tied to the diplomatic report or to any U.S. presidential

candidates position with respect to NAFTA, though his comments likely helped lead the reporter to the Senator Obama campaign. There is no evidence that Ambassador Wilson disclosed any classified information.

The original diplomatic report was incorrectly classified and had an inappropriately broad distribution list.

The Prime Minister has accepted all the recommendations from the Report.
End text

14. (SBU) Separately on May 22, media reports -- which the government has not confirmed -- revealed that Brodie intends to step down as Chief of Staff o/a July 1. His replacement is expected to be Guy Giorno, a one-time chief of staff to then-Ontario Premier Mike Harris, and who also worked in the last Conservative federal campaign. Some reports linked this disclosure to the expected release of the PCO report, while others noted that new restrictions against lobbying for a five year period for former senior officials come into effect Qfive year period for former senior officials come into effect on July 1.

15. (SBU) Comment: The report has already provoked negative reaction from the opposition, and will likely be a prime topic during Question Period in the House of Commons during the week of May 26. Prime Minister Harper will miss the brunt of it, since he will be on an official visit May 27-29 to meet in succession in their capitals with French President Sarkozy, German Chancellor Merkel, Italian Prime Minister Berlusconi, and British Prime Minister Brown. The Conservatives will continue to treat this as a tempest in a

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teapot -- as it indeed seems to be -- but this latest furor will likely provide yet another incentive for them to allow the Commons to "rise" on the earliest possible date of June 6 for the long summer recess.

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